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DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
PDM ENERGY, L.L.C. FOR A CERTIFICATE
OF CONVENIENCE AND NECESSITY TO
PROVIDE COMPETITIVE RETAIL ELECTRIC
SERVICES AS AN ELECTRIC SERVICE
PROVIDER PURSUANT TO A.A.C. R14-2-
1601 *ET SEQ.*

Docket No. E-03869A-00-0268

**SUPPLEMENT TO
PDM ENERGY, L.L.C. APPLICATION**

PDM Energy, L.L.C. ("PDM Energy") hereby supplements its application for a certificate of convenience and necessity to provide competitive retail electric services in Arizona.

1. Attached as Exhibit 1 is a letter from PDM Energy's ultimate parent, Phelps Dodge Corporation, regarding financial support for PDM Energy.

2. With regard to Items A-10 through A-15 of the application, PDM Energy supplements its information as follows:

- A-10: None. PDM Energy has not sought authority to provide retail electric services in any other states.
A-11: None. PDM Energy has not sought authority to provide retail electric services in any other states.
A-12: No. *See* A-10.
A-13: No.
A-14: No.
A-15: No.

1 3. With regard to Item B-1(a), PDM Energy intends to use, on a contract
2 basis, the information services personnel and equipment of Phelps Dodge. Phelps Dodge
3 has over 300 information services staff who are skilled in a variety of areas. If additional IS
4 skills are necessary, PDM Energy will contract with outside consultants. At this point,
5 PDM Energy does not own any computer equipment. Given that PDM Energy intends to
6 serve only a few large industrial customers, computers capable of handling large volumes of
7 customer account data will not be needed. PDM Energy intends to acquire equipment
8 appropriate for its customers needs, which are uncertain at this point.

9 4. PDM Energy intends to purchase commercially available software
10 necessary to meet its operational and customer needs. At this point, PDM Energy does not
11 know what programming languages will be utilized but PDM Energy will use programming
12 languages compatible with the emerging wholesale power markets. Moreover, PDM
13 Energy may contract with another power marketer for certain software needs.

14 5. With respect to Item B-2(a), PDM Energy intends to serve only large
15 industrial customers and anticipates that the potential customer base will be very small. At
16 this point, PDM Energy cannot estimate the number of kWhs it will market due to uncertain
17 market conditions, competitive forces and the unknown kWh demands of potential
18 customers.

19 6. With respect to Item B-2(b), at this point, PDM Energy intends to use the
20 following contract personnel, who are currently employed by Phelps Dodge: Choi Lee, who
21 is Director of Energy Management for Phelps Dodge, as well as Tim Summers and Michael
22 McElrath, who are both Managers of Energy Management. They have a combined
23 experience in excess of 60 years in areas of power management, procurement and metering
24 for large industrial customers. These personnel also will manage any outside contractors
25 related to procurement, metering or billing of competitive electric services.

26 ...


1 7. At this point, PDM Energy has not set a separate tariff charge for ordinary
2 billing and collection because it does not intend to serve a large number of accounts and, as
3 set forth in the proposed tariff, the ordinary billing and collection charge will be included in
4 the charge for electric supply. Moreover, as noted in the proposed tariff, specialized billing
5 and collection charges will be set forth separately in the customer's bill. However, the
6 amount of those charges will be determined on a case-by-case basis, depending on the
7 specialized billing requirements of the customer.

8 8. On May 4, 2000, PDM Energy provided notice to all appropriate entities
9 concerning the filing of its application. A copy of its notice was filed with Docket Control.
10 PDM Energy will send a copy of its initial application and this supplement to those entities.

11
12 August 24, 2000.

13 **PDM ENERGY, L.L.C.**

14
15 By



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19 **ORIGINAL** and 10 **COPIES** filed
20 August 24, 2000, with:

21 Docket Control
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

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1 **COPY** hand-delivered August 24, 2000, to:

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Ramiro G. "Ramey" Peru
Senior Vice President
and Chief Financial Officer

August 23, 2000

Deborah R. Scott, Esq.
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: PDM Energy, L.L.C.
Docket No. E-03869A-00-0268

Dear Ms. Scott:

Phelps Dodge Corporation is the ultimate parent company of PDM Energy, L.L.C. Phelps Dodge Corporation intends to provide financial support to PDM Energy, L.L.C. to allow it to provide the competitive services set forth in PDM Energy, L.L.C.'s application for a Certificate of Convenience and Necessity in Docket No. E-03869A-00-0268.

This letter is being provided in response to your request only, and does not confer any rights on any third party.

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Peru".

Ramiro G. Peru
Senior Vice President
Phelps Dodge Corporation

____/djj